GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2276
ANSWERED ON:06.05.2016
Facilities to REITS
Somaiya Dr. Kirit

Will the Minister of FINANCE be pleased to state:

(a) the details about response/observations received from Indian Housing Industry experts and others regarding exemptions, incentives, provision extended to Real Estate Investment Trust (REITS) by the Government in 2014 budget;
(b) whether such exemption is likely to help attract the REITS formed by MNCs, Singapore and other countries and if so, the details thereof; and
(c) the plans made by the Government in the matter?

Answer

The Minister of State in the Ministry of Finance

(a) to (c): In pursuance of the announcement in the 2014 budget, the Securities & Exchange Board of India (SEBI) has notified the Real Estate Investment Trust (REIT) Regulations, on September 26, 2014. These regulations are aimed primarily at completed rent yielding commercial real estate assets.

A tax regime for such REITs has been put in place which includes, inter-alia, exemption from applicability of capital gains tax, minimum alternate tax and dividend distribution tax. This regime compares favourably with the policy and tax regime for REITs around the world.

All the above measures are aimed towards providing a conducive regulatory enviornment for REITs in India.

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